

PACE – An Overview



National PACE Association

Alexandria, VA

www.NPAonline.org

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***Integrated Care Solutions* of
Community Care Organization and
Total Longterm Care**





What is PACE?

The **P**rogram of **A**ll-inclusive **C**are for
the **E**lderly



What is PACE?

A fully integrated system of primary, acute and long-term care for the frail elderly that is:

- **Community-based**
 - **Comprehensive**
 - **Capitated**
 - **Coordinated**
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The PACE Model History

**Began with On Lok in San Francisco's
Chinatown Neighborhood**

1973- First Adult Day Health Center

1978- Demonstration Project

1983- Waivers/Full Risk

1990- First Demonstration Sites

1999- CMS Final Interim Regulation

2002- CMS Regulation Addendum





The PACE Model Philosophy

Honors what frail elderly want

- To stay in familiar surroundings
 - To maintain autonomy
 - To maintain a maximum level of physical, social, and cognitive function
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The PACE Model

Who Does It Serve?

- 55 years of age or older
 - Living in a designated PACE service area
 - Certified as needing nursing home care
 - Able to live safely in the community at the time of enrollment
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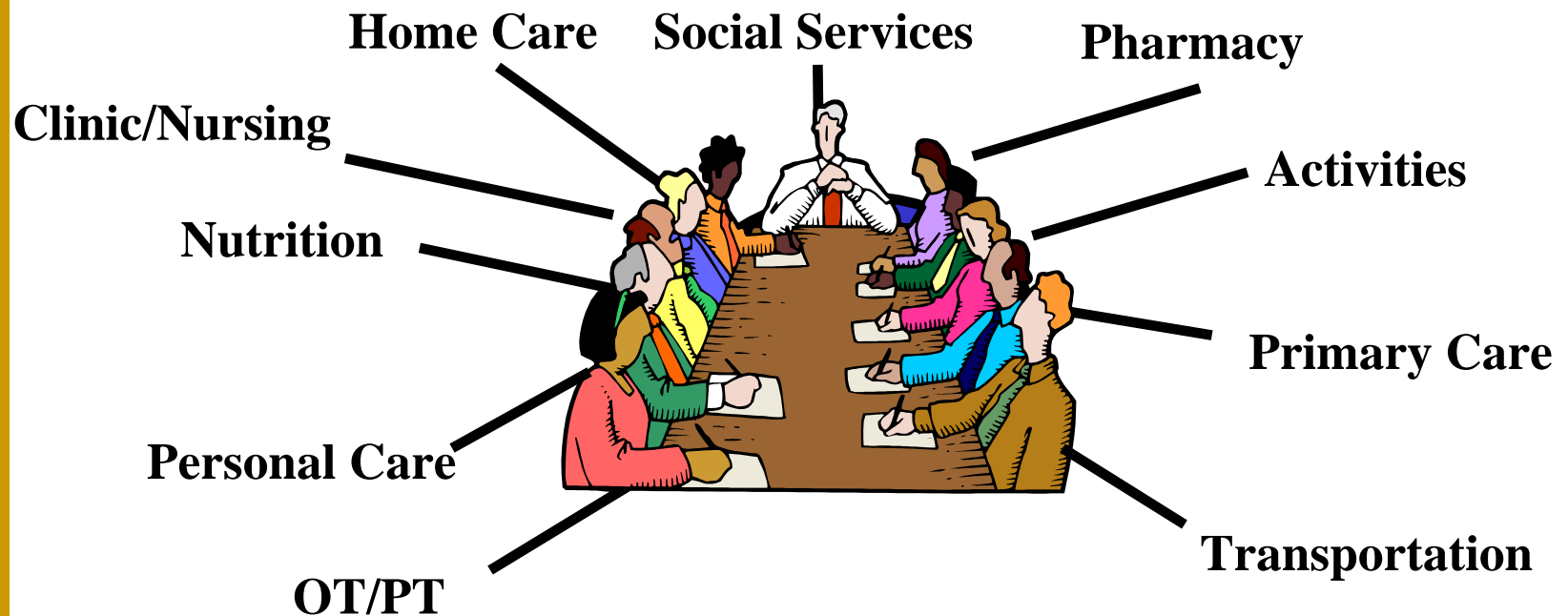


Comprehensive Service Package

- Integrates preventive, acute & long-term care services (once enrolled, the participant is followed across all care settings including the hospital and nursing home)
 - All Medicare & Medicaid services plus community long-term care service
 - No benefit limitations, co-payments or deductibles
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Integrated, Team Managed Care

Interdisciplinary Team



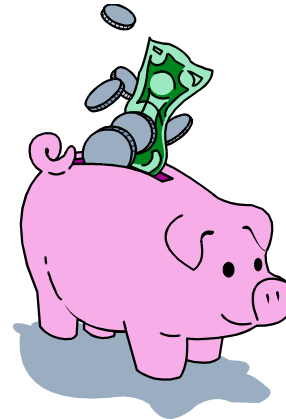


Integrated, Team Managed Care

- Interdisciplinary care management
 - Team managed care vs. individual case manager
 - Continuous process of assessment, treatment planning, service provision and monitoring
 - Focus on primary, secondary, tertiary prevention
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Capitated, Pooled Financing

- Medicare capitation rate adjusted for the frailty of the PACE enrollees
- Integration of Medicare, Medicaid and private pay payments





Source of Service Revenue

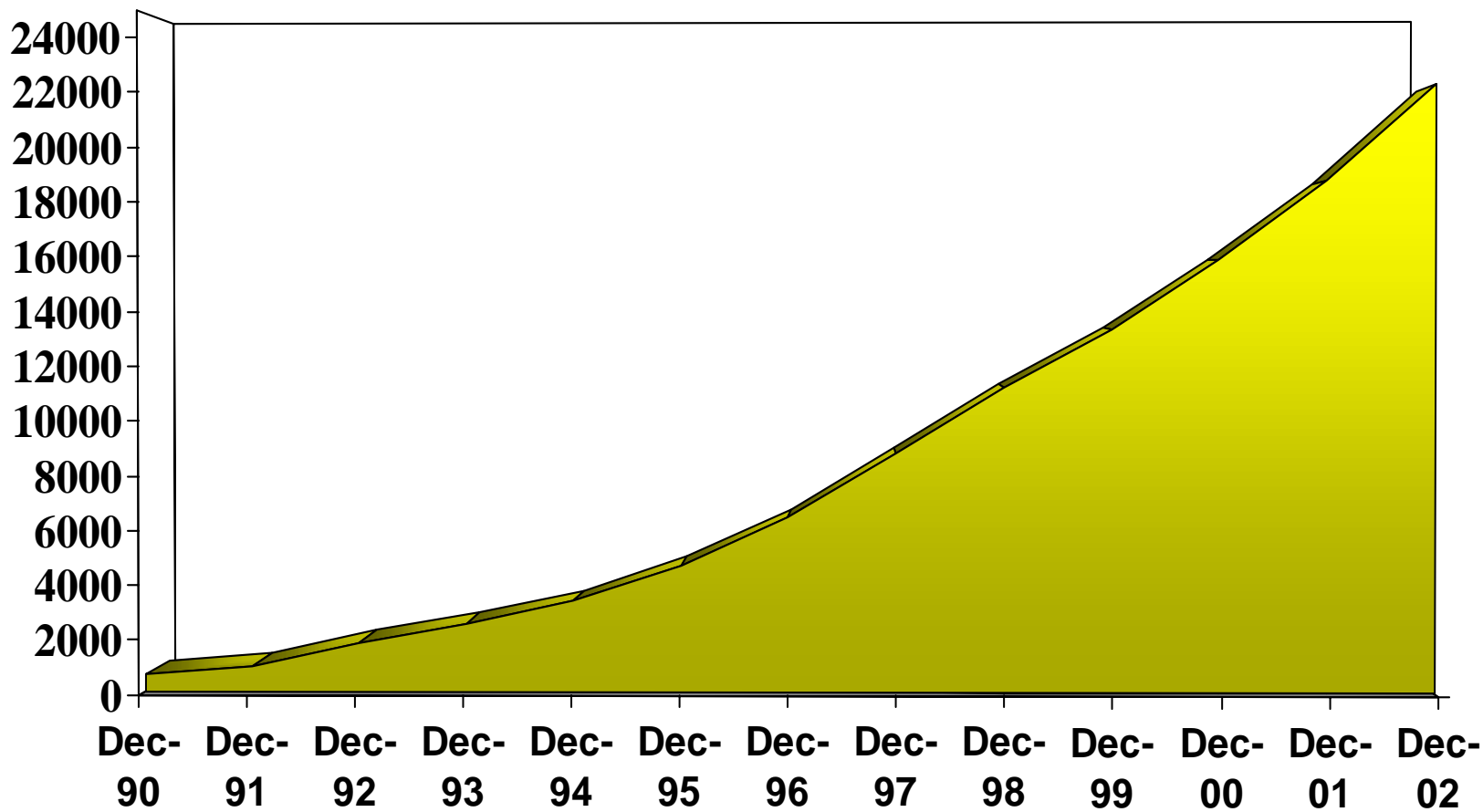
- PACE Programs receive approximately:
 - 2/3 of their revenue from Medicaid
 - 1/3 from Medicare

(A very small percentage of program revenue comes from private sources or enrollees paying privately)

 - 2003 Median Medicare Rate: \$1,435
 - 2003 Median Medicaid Rate: \$2,884
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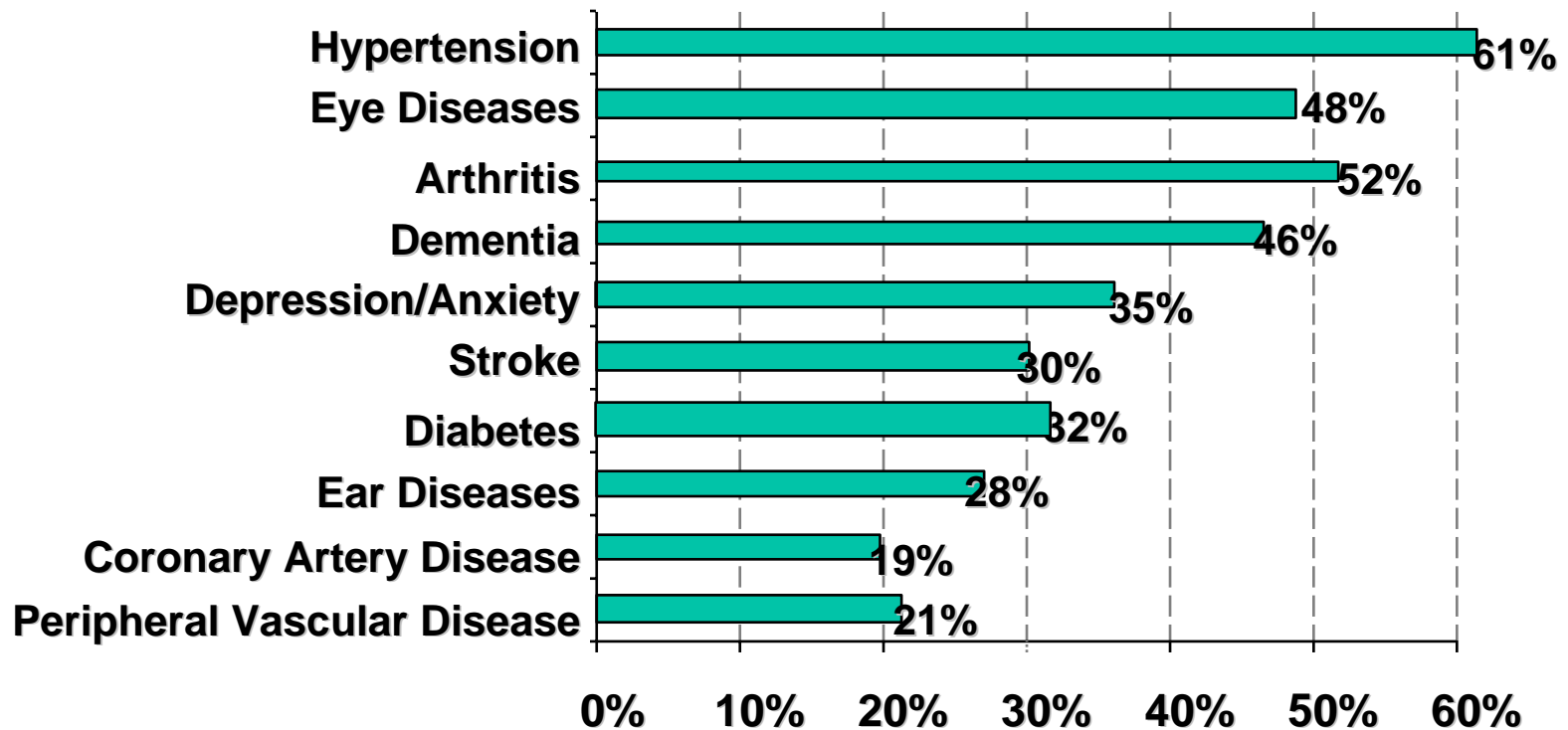
Census Growth 1990 – 2002

PACE and Pre-PACE



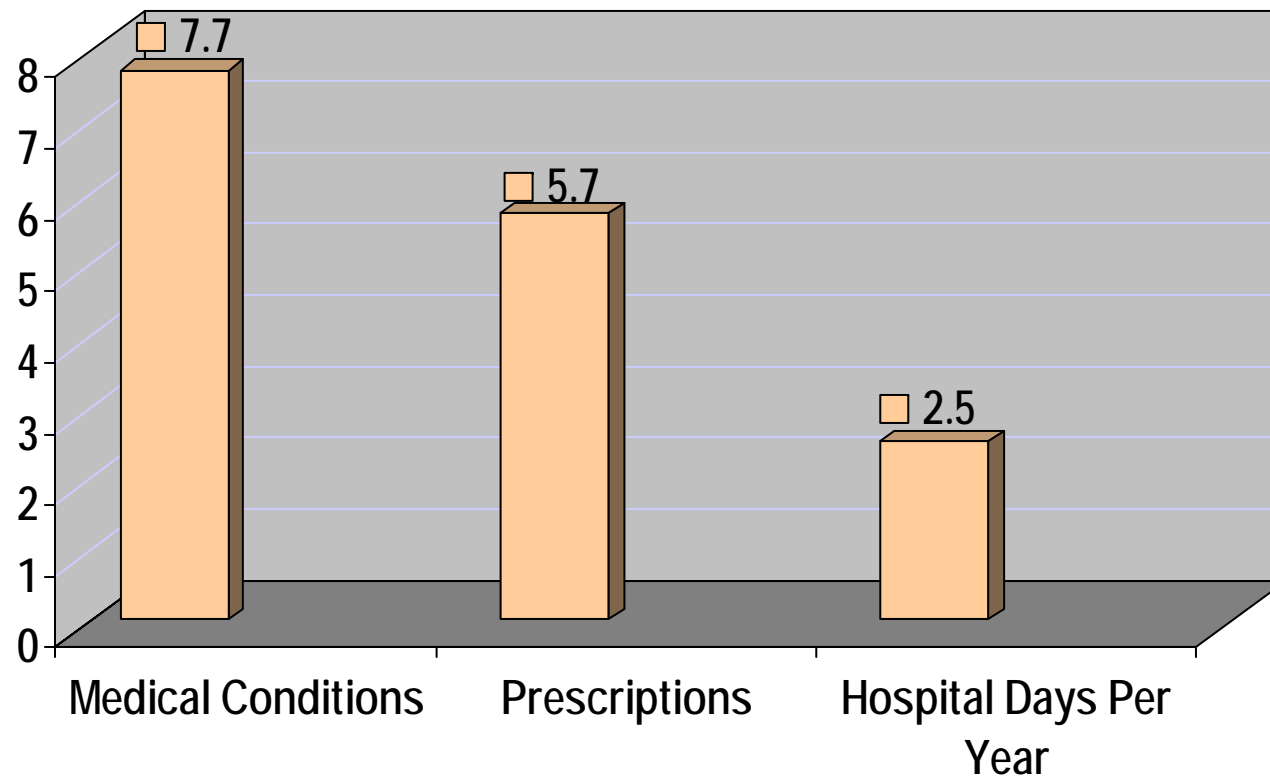
PACE Participants

Ten Most Common Diagnoses Among PACE Enrollees

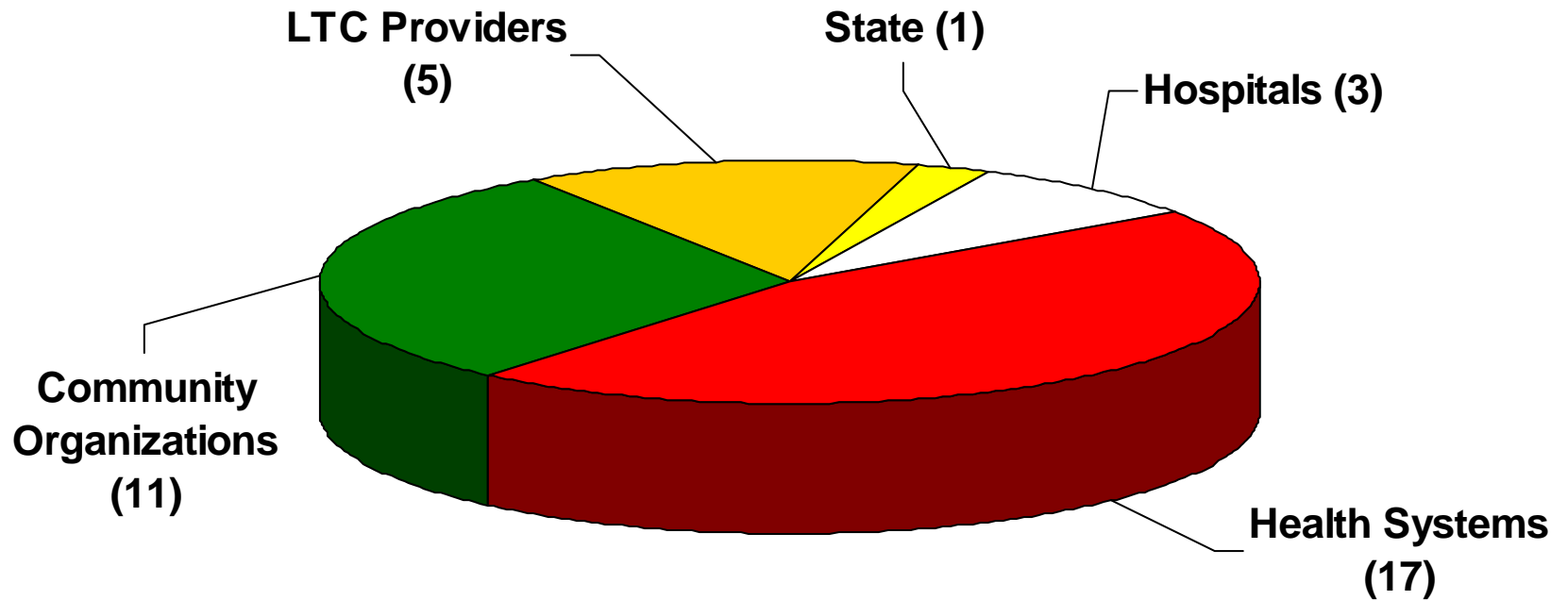


PACE Participants

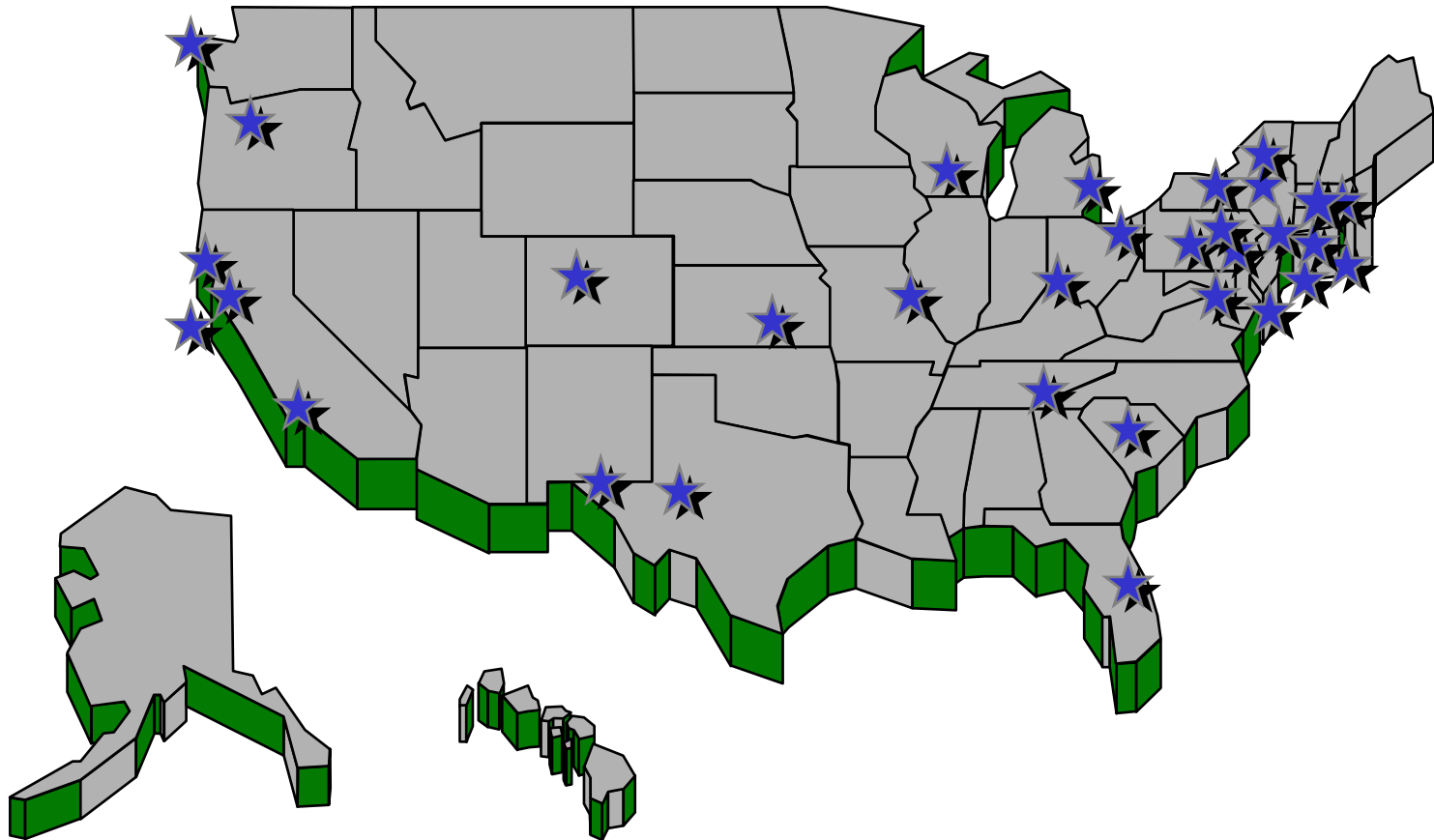
Average Number of...



Types of PACE Sponsors



PACE Programs Around the Nation





Status of PACE Development

- Thirty-one organizations are operating under dual capitation as of 04/1/04.
 - Nine sites are delivering services under Medicaid only, prepaid health plan capitation.
 - Approximately thirty sites are moving forward with planning and development of a PACE program.
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PACE and Senior Housing

As PACE programs mature and their enrollees age, access to supportive housing environments becomes more important.

Most PACE organizations have some informal or formal link to senior housing.



PACE and Senior Housing

Elderly Federal Housing Programs

- **Section 202 (loan/grants)** **350,000+ units**
 - **Section 236** **80,000**
 - **Section 8 rent subsidy**
 - **project based** **260,000 units**
 - **tenant based (vouchers)** **240,000 units**
 - **Public Housing** **600,000+ units**
 - **Other (Insurance, rural, etc.)** **200,000+ units**
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PACE and Senior Housing

Needs of Residents

- **Average age is about 80 years**
(Section 202/ PHA - some older/younger)
 - **90% of residents are older women**
who live alone and have less than
\$10,000 income
 - **Estimate 20-30% need supportive**
services to remain in existing home
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PACE and Senior Housing Benefits

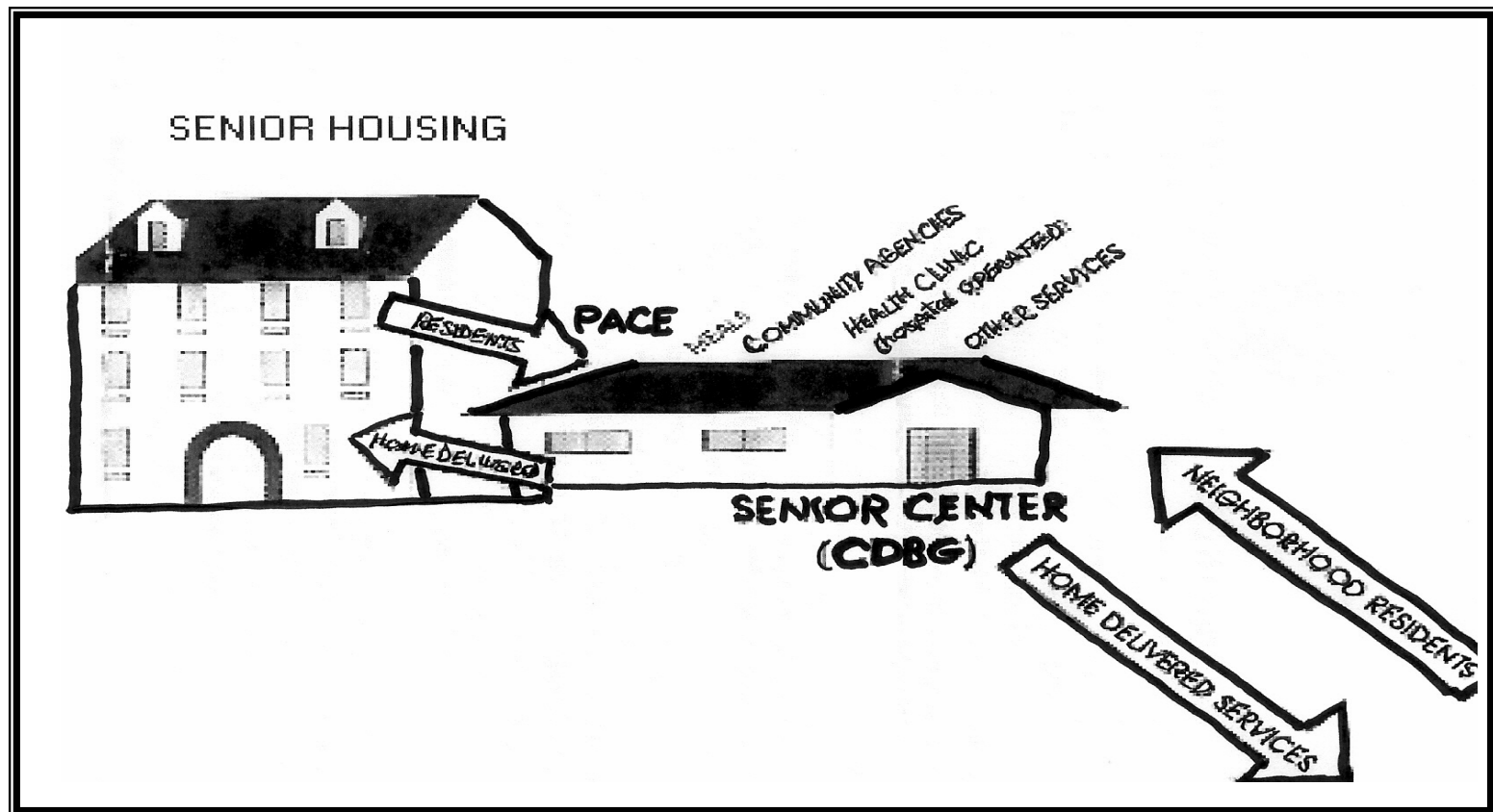
- **Residents** - aging in place; quality care, future needs, cost
 - **Housing** - role and responsibility with frail elderly, licensing; costs
 - **PACE** – increased enrollment, community visibility; administrative simplicity
 - **HUD-HHS** - collaboration opportunity
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PACE and Senior Housing Relationships

- Enrollment of frail residents in PACE
 - Assist PACE enrollees access to suitable and affordable housing
 - Lease/own community space and/or units
 - Collaborate with development
 - ownership and/or management
 - joint funding (housing/common space)
 - Co-location
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PACE and Senior Housing Co-location model



PACE and Senior Housing

Homestead in Pittsburgh Example





Challenge for Providers

- Begin to think in terms of *People* vs. *Sentinel Events*.
 - Abandon the assumption that *more* is *better*.
 - Understand that not *all* aspects of care are clinically based; some require simple creativity.
 - Embrace the importance of a consistent care delivery system over time.
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What are PACE's Challenges?

- Marketing and enrollment
 - Lack of long-term care financing for middle-income
 - Building partnerships at the federal, state, regional and provider levels
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What are PACE's Opportunities?

- Community rather than institutional focus.
 - Only Federally qualified comprehensive model of fully integrated care for the frail elderly.
 - Applicability to other frail, at-risk populations with chronic conditions
 - Ability to link with other managed and long-term care initiatives.
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What are PACE's Opportunities?

- Ability to provide the full range of needed services regardless of reimbursement
 - Ability to provide services consistent with emerging consumer demands
 - Maximum flexibility in service provision tailored to meet the specific needs of individuals served
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Why PACE ?

FOR CONSUMERS:

- Comprehensive, preferred method of care
- Stay in the community as long as possible
- One-stop shopping

FOR PROVIDERS:

- Freedom from traditional FFS restrictions
- Focus on the entire range of needs of individual

FOR PAYERS:

- Cost savings & predictable expenditures
 - Comprehensive service package
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CMS PACE Project Background

- Funded by the Centers for Medicare and Medicaid Services 9/03 – 9/04
 - Primary Goals:
 - To identify and report back to CMS the challenges and opportunities that exist for states currently without PACE; and
 - To initiate the development of new PACE Programs
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CMS PACE Project

Who is Involved?

- 29 states w/o PACE programs invited to apply
 - 8 applicants selected (Iowa, Kentucky, Minnesota, New Jersey, Oklahoma, Utah, Virginia, West Virginia) to participate in the project
 - Partners include:
 - Participating States
 - National PACE Association
 - PACE Technical Assistance Centers
 - Housing Consultant
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CMS PACE Project Market Assessments

- Demographics
 - State Capacity
 - State Environment
 - Aging & Health Care Provider Interest
 - Housing Provider Interest
 - Opportunities for
Collaboration/Partnership
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For More Information....

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